

Before the  
FEDERAL COMMUNICATIONS COMMISSION  
Washington, D.C. 20554

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FEDERAL COMMUNICATIONS COMMISSION  
OFFICE OF SECRETARY

In the Matter of Implementation of )  
Section 34(a)(1) of the Public Utility )  
Holding Company Act of 1935, as added by )  
the Telecommunications Act of 1996 )

GC Docket No. 96-101

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COMMENTS OF  
SOUTHWESTERN BELL TELEPHONE COMPANY

Southwestern Bell Telephone Company (SWBT), pursuant to the Notice of Proposed Rulemaking released April 25, 1996,<sup>1</sup> hereby files its Comments in the above-styled matter.

I. NOTICE TO STATE COMMISSIONS SHOULD BE EXPANDED.

The NPRM requires that persons seeking status as an exempt telecommunications company (ETC) file their applications with the Commission, and serve copies on the Securities and Exchange Commission (SEC) and any affected State Commission.<sup>2</sup> SWBT agrees that notice to the affected State Commissions is vital to a complete process. Nevertheless, SWBT suggests that the Commission also add to its proposed rule Section 1.4005 that when a person is determined to be an ETC in addition to informing the SEC of the ruling the affected State Commissions should also be informed by the Commission. This step would serve as a further notice to the states that they may

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<sup>1</sup> Implementation of Section 34(a)(1) of the Public Utility Holding Company Act of 1935 as added by the Telecommunications Act of 1996, GC Docket No. 96-101, Notice of Proposed Rulemaking (FCC 96-192) (released April 25, 1996) (NPRM).

<sup>2</sup> NPRM at Appendix A, Proposed rule Section 1.4002.

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need to take additional actions to implement, in their states, the requirements of the Telecommunications Act of 1996.

II. ADDITIONAL INFORMATION SHOULD BE INCLUDED IN THE CONTENTS OF THE APPLICATION.

Proposed Rule Section 1.4002 requires that an ETC applicant briefly describe “the planned activities of the company or companies which are or will be eligible companies owned and/or operated by the applicant . . . .” To provide additional guidance to companies seeking ETC status, and to insure consistency between applications, SWBT suggests that the Commission more fully describe the requirements of this section. For example, SWBT recommends that the ETC applicant include a listing and description of the types of services that the ETC applicant plans to provide, and the geographic locations where the ETC applicant intends to provide them. These minimal requirements would allow states to determine whether their participation in the FCC proceedings is warranted, and would also assist them in arranging appropriate proceedings in their states to carry out the states’ responsibilities under the Telecommunications Act of 1996.

Under the Act, the states retain the responsibility to oversee the sale of any assets from the public utility company to the newly created ETC. The State Commission must also continue to monitor other affiliate transactions between the public utility company and the ETC, and is responsible to audit all matters deemed relevant to “transactions or transfers between the public utility company subject to its jurisdiction and such exempt telecommunications company.”<sup>3</sup> These duties can be more easily carried out if the initial ETC application process would contain the

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<sup>3</sup> See, Public Utility Holding Company Act of 1935, 15 U.S.C. § 79 *et seq.*, as amended by Section 103 of The Telecommunications Act of 1996, Section 34(m)(1).

information on services and locations suggested above. For example, State Commissions that depend upon, or integrate, participation by municipal governments in their proceedings, can more easily notify the proper municipalities if the ETC applicant lists the geographic locations where it will provide service.

### III. CONCLUSION

For the foregoing reasons, SWBT respectfully requests that the Commission adopt the changes recommended above to its proposed rules.

Respectfully submitted,

SOUTHWESTERN BELL TELEPHONE COMPANY

By 

Robert M. Lynch  
Durward D. Dupre  
Thomas A. Pajda

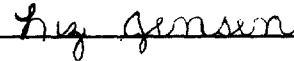
Attorneys for  
Southwestern Bell Telephone Company

One Bell Center, Room 3520  
St. Louis, Missouri 63101  
(314) 235-2507

June 17, 1996

**CERTIFICATE OF SERVICE**

I, Liz Jensen, hereby certify that the foregoing  
Comments of Southwestern Bell Telephone Company, in GC  
Docket 96-101, have been served this 17th day of June, 1996  
to the Parties of Record.

A handwritten signature in cursive script, reading "Liz Jensen", is written over a horizontal line.

Liz Jensen

June 17, 1996

**OFFICE OF THE SECRETARY  
FEDERAL COMMUNICATIONS COMMISSION  
1919 M STREET NW  
WASHINGTON DC 20554**

**INTERNATIONAL TRANSCRIPTION SERVICES INC  
1919 M STREET NW  
SUITE 246  
WASHINGTON DC 20554**